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217460

ORIGINAL

September 1, 2006



VIA HAND DELIVERY - RETURN COPY

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW (7th fl.)
Washington, DC 20423-0001

FILE RECEIVED
SEP - 1 2006
SURFACE
TRANSPORTATION BOARD

Dear Secretary Williams:

Enclosed for filing in STB Finance Docket No. 34928, SMS Rail Lines of New York, LLC-Acquisition and Operation Exemption-Northeastern Industrial Park, Inc. are the original and ten copies of the Verified Notice of Exemption of SMS Rail Lines of New York, LLC.

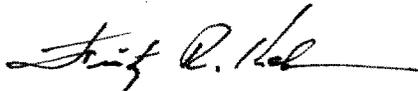
This firm's check for \$1,500.00 in payment of the filing fee is attached

An additional copy of this letter and of the Notice are enclosed for you to stamp to acknowledge your receipt of them and to return to me via the messenger.

If you have any question concerning this filing or if I otherwise can be of assistance, please let me know.

FILED
SEP - 1 2006
SURFACE
TRANSPORTATION BOARD

Sincerely yours,


Fritz R. Kahn

enc.
cc: Steve Porter, Esq.
Mr. Jeffrey L. Sutch

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Office of Proceedings

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Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

217460
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STB Finance Docket No. 34928

SMS RAIL LINES OF NEW YORK, LLC
- ACQUISITION AND OPERATION EXEMPTION -
NORTHEASTERN INDUSTRIAL PARK, INC.



VERIFIED NOTICE OF EXEMPTION
OF
SMS RAIL LINES OF NEW YORK, LLC

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**SURFACE
TRANSPORTATION BOARD**

Fritz R. Kahn
Fritz R. Kahn, P.C.
1920 N Street, NW (8th fl.)
Washington, DC 20036-1601
Tel.: (202) 263-4152

Attorney for

SMS RAIL LINES OF NEW YORK, LLC

FILED

SEP - 1 2006

**SURFACE
TRANSPORTATION BOARD**

Dated: September 1, 2006

**ENTERED
Office of Proceedings**

SEP 1 - 2006

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Public Record**

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

STB Finance Docket No. 34928

SMS RAIL LINES OF NEW YORK, LLC
-- ACQUISITION AND OPERATION EXEMPTION --
NORTHEASTERN INDUSTRIAL PARK, INC.

VERIFIED NOTICE OF EXEMPTION
OF
SMS RAIL LINES OF NEW YORK, LLC

SMS Rail Lines of New York, a New York limited liability company ("SMS"), hereby files this Verified Notice of Exemption, pursuant to 49 U.S.C. 10502(a) and 49 U.S.C. 10901 and 49 C.F.R. 1150.31, et seq., and states, as follows:

1. Applicant's name, address and telephone number:

SMS Rail Lines of New York, LLC
P. O. Box 711
Bridgeport, NJ 08014
Tel.: (856) 467-4800

2. Applicant's representative:

Fritz R. Kahn
Fritz R. Kahn, P.C.
1920 N Street, NW (8th fl.)
Washington, DC 20036-1601
Tel.: (202) 263-4152

3. Agreement:

SMS, a noncarrier, has reached an agreement with Northeastern Industrial Park, Inc., a New York business corporation, pursuant to which SMS will acquire by lease and operate as a common carrier railroad the approximately 15 miles of tracks in the Northeastern Industrial Park, Guilderland Center 12085, Albany County, New York.

4. Operator:

SMS will operate the line.

5. Summary of proposed transaction:

a. The lessor of the line is:

Northeastern Industrial Park, Inc.
695 Rotterdam Industrial Park
Schenectady, NY 12306
Tel.: (518) 356-4445

B. Consummation date:

On or after seven days after the date of the Notice's filing.

d. Milepost designations:

The approximately 15 miles of railroad lines in the Northeastern Industrial Park extend from connections with the Canadian Pacific Railway at Milepost 11.4 on the railroad's Vorheesville Running Track. There is a separate connection with a railroad line of CSX Transportation, Inc.

6. Map:

A schematic map of the railroad line is attached.

7. Environmental certification:

Since this is a transaction under a class exemption from the provisions of 49 U.S.C. 10901 which will result in no significant changes in railroad operations, that is, no increase in rail traffic of more than fifty percent or three trains a day on any segment of rail line or a twenty percent increase of rail yard activity, no environmental documentation is required, pursuant to 49 C.F.R. 1105.6(c)(2). Similarly, since the proposed transaction will not result in the disposition or alteration of properties subject to the Board's jurisdiction that are 50 years old or older, no historic report is required, pursuant to 49 C.F.R. 1105.8(b).

8. Employee protection:

Pursuant to 49 U.S.C. 10902(c), no employee protective condition need be attached.

9. Revenue certification:

SMS's projected annual revenue will not exceed \$5 million; the acquisition will not result in the creation of a Class II or Class I rail carrier.

Respectfully submitted,

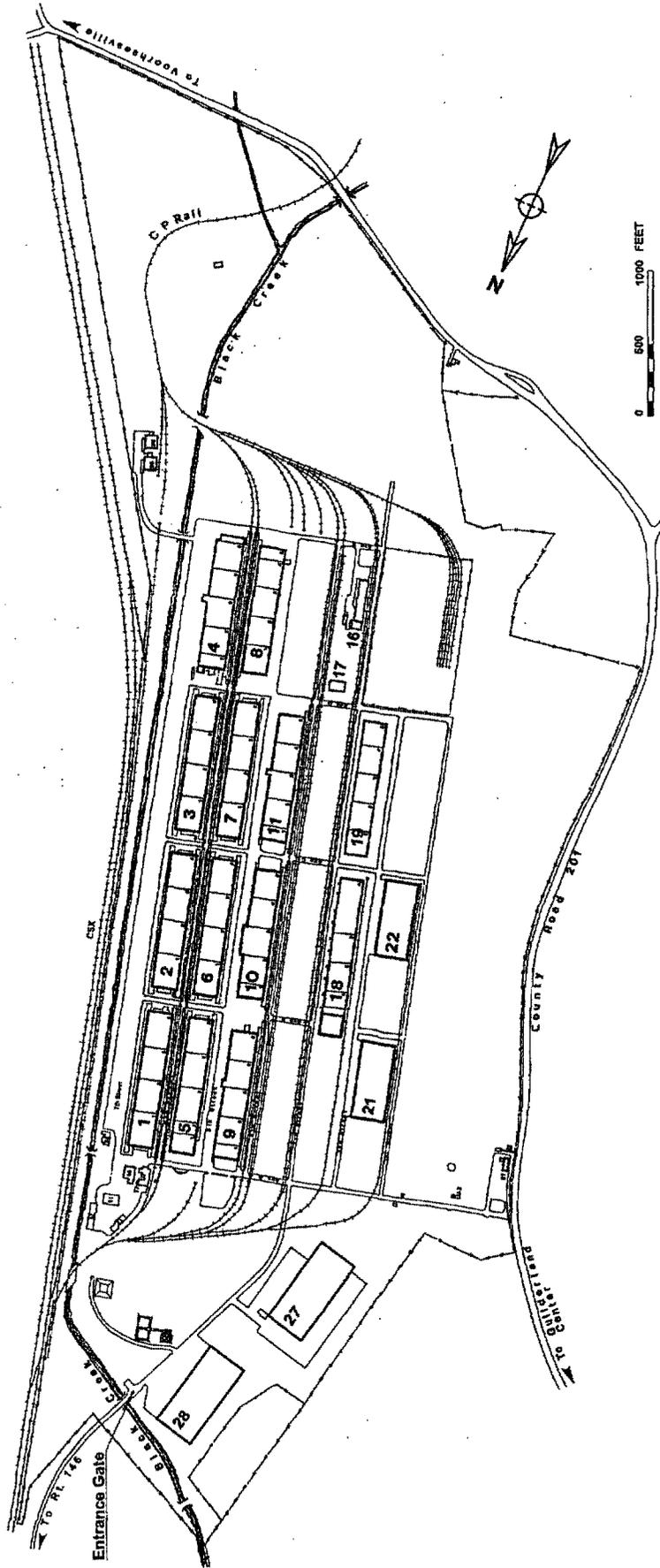
SMS RAIL LINES OF NEW YORK, LLC

By its attorney,



Fritz R. Kahn
Fritz R. Kahn, P.C.
1920 N Street, NW (8th fl.)
Washington, DC 20036-1601
Tel.: (202) 263-4152

Dated: September 1, 2006



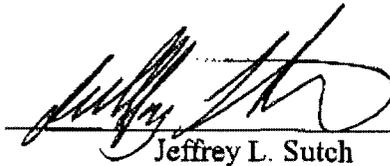
NORTHEASTERN INDUSTRIAL PARK
ALBANY COUNTY

REVISED: 7/25/05

VERIFICATION

I, Jeffrey L. Sutch, President of SMS Rail Lines of New York, LLC,, declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing Verified Notice of Exemption and its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification on behalf of SMS Rail Lines of New York, LLC. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Bridgeport, NJ., this 1 day of September 2006.



Jeffrey L. Sutch

CAPTION SUMMARY

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

STB Finance Docket No. 34928

SMS RAIL LINES OF NEW YORK, LLC
– ACQUISITION AND OPERATION EXEMPTION --
NORTHEASTERN INDUSTRIAL PARK, INC.

SMS Rail Lines of New York, LLC (“SMS”), and Northeastern Industrial Park, Inc., have reached an agreement pursuant to which SMS will acquire by lease and operate as a common carrier railroad the approximately 15 miles of tracks in the Northeastern Industrial Park, Guilderland Center 12085, Albany County, New York. Comments must be filed with the Board and served on Fritz R. Kahn, Fritz R. Kahn, P.C., 1920 N Street, NW (8th fl.), Washington, DC 20036-1601, Tel.: (202) 263-4152.

This transaction is related to STB Finance Docket No. 34929, Jeffrey L. Sutch–Continuance in Control–SMS Rail Lines of New York, LLC, concurrently filed.

The Notice is filed under 49 C.F.R. 1150.31, et seq. If the Notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.